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## **Kentucky commissioner elected president of national insurance association**

**SAN FRANCISCO:** Kentucky Insurance Commissioner George Nichols III began serving today as the newly elected president of the National Association of Insurance Commissioners.

Nichols, 39, was elected Monday by state commissioners nationwide, becoming the first black president since the NAIC was founded in 1871. The influential national insurance magazine, Best's Review, identified Nichols among the "few people likely to affect the course of the industry" in the coming year.

Nichols pledged to continue pushing for a strong, uniform system of state regulation that will protect consumers and recognize the changing world market of financial services. Nichols was referring specifically to the new federal law signed last month by President Bill Clinton creating functional regulation. Under the law, known as S. 900, the federal government will regulate banking products and the states will regulate insurance products, regardless of whether the institution offering the insurance is a bank, insurance company or other corporation.

As the 1999 vice president, Nichols served as one of three elected officers for the NAIC, chaired the NAIC Executive Committee and the NAIC Special Committee on Financial Services Modernization. Nichols has testified before Congress regarding financial services modernization and has spoken to national and international audiences on insurance regulatory matters. His other areas of focus with the NAIC are fraud and market conduct.

Gov. Paul E. Patton appointed Nichols in April 1996 as commissioner of Kentucky's Department of Insurance, which regulates an \$8 billion industry in the state. During his tenure, Nichols and the Patton administration established the department's first consumer protection division and fraud investigation division, implemented a new workers' compensation law, reduced Kentucky's life insurance state premium taxes, abolished the state's annuities tax, passed a mutual holding company act for Kentucky, and concentrated on the state's fragile health insurance market through legislative and administrative endeavors.

Nichols is a native of Bowling Green and resides in Shelbyville with his wife, Cynthia Jean (Stone) Nichols, and three children. Nichols has a Master of Arts degree in Labor Studies from the University of Louisville and a Bachelor of Arts in Sociology and Economics from Western Kentucky University.

Susan Klimchak

Director of Communications

Public Protection and Regulation Cabinet